

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



April 19, 2001

The Honorable Anthony A. Williams, Mayor
Mayor of the District of Columbia
441 Fourth Street, N.W., Suite 1100
Washington, D.C. 20001

The Honorable Linda W. Cropp, Chairman
Council of the District of Columbia
441 Fourth Street, N.W., Suite 704
Washington, D.C. 20001

The Honorable Alice M. Rivlin, Chairman
D.C. Financial Responsibility and
Management Assistance Authority
441 Fourth Street, N.W., Suite 570
Washington, D.C. 20001

Subject: FY 2000 Management Letter

Dear Mayor Williams, Chairman Cropp, and Dr. Rivlin:

In connection with the audit of the District of Columbia's general purpose financial statements for Fiscal Year (FY) 2000, KPMG, LLP submitted the enclosed final Management Letter. The Management Letter details the conditions that District officials should improve in order to enhance the District's financial management infrastructure. The letter also indicates whether the District corrected the conditions cited in the Management Letter for FY 1999.

Our analysis of the Management Letters for Fiscal Years 1999 and 2000 reflects that progress is underway, but challenges remain. There is progress in that the information shows relatively few repeated material weaknesses and repeated reportable conditions. Furthermore, there are a number of conditions that existed in FY 99 and FY 00 for which the District plans to take corrective action to prevent recurrence in future years. Challenges remain for the District to take immediate action on the comments and recommendations that the auditors believe will improve the District's internal control structure, or result in other operating efficiencies. If District officials do not adequately address the conditions in the Management Letter for FY 2000, the conditions could possibly have an adverse affect on the audit for FY 2001.

To help ensure that District agencies comply with recommendations made by the OIG as well as federal government auditors and private-sector auditors, the OIG has taken, or is taking, the following actions:

- Issued a Management Alert Report (MAR No. 01-A-07), dated April 3, 2001, to the City Administrator/Deputy Mayor for Operations to inform him of the urgent need to track the status and monitor the implementation of recommendations made to the District government.
- Currently assessing District agencies' implementation of recommendations as part of each audit. For example, if the OIG is conducting an audit of a specific area within the Department of Human Services, the OIG will determine whether the OIG or another entity has conducted a prior audit related to the area. If so, the OIG will assess the agency's implementation of the recommendations.
- Currently conducting a District-wide audit to assess the extent to which certain agencies have implemented recommendations found in previous audit reports. The OIG is concentrating on seven agencies, and will issue a Management Alert Report for each agency as well as a consolidated report upon completion of the audit. The agencies are:
 1. The University of the District of Columbia
 2. The Lottery and Charitable Games Control Board
 3. The D.C. Public Schools
 4. The Office of the Chief Technology Officer
 5. The Department of Housing and Community Development
 6. The Department of Corrections, and
 7. The Office of Finance and Resource Management

The OIG plans to complete this audit by June 2001. In addition, the OIG will periodically conduct audits of other agencies to assess the status of implementation with recommendations.

While the OIG will continue to assess the District agencies' implementation of recommendations, it is the responsibility of management within the District government to ensure that the agencies correct the deficiencies noted in audit reports or in other reviews and assessments. The OIG will work with District managers, as appropriate, to help them monitor the implementation of recommendations.

If you have any questions, or need additional information, please contact me, or have a member of your staff contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles C. Maddox". The signature is fluid and cursive, with the first name "Charles" being the most prominent part.

Charles C. Maddox, Esq.
Inspector General

Enclosure

CM/mg

cc: See Distribution List

April 19, 2001

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